

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1450 - SB 1994**

February 8, 2016

**SUMMARY OF BILL:** Applies salvage, nonrepairable, rebuilt, and flood vehicle certificate of title requirements to motorcycles.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue - \$7,500**

Assumptions:

- Currently, anytime a vehicle that is by definition a salvaged motor vehicle or a vehicle which has depreciated by 75 percent or more is transferred to a new owner, it must be disclosed to the potential owner that the vehicle is wrecked, damaged, dismantled or rebuilt and will need to be labeled as such on the next certificate of title.
- In order to re-label a certificate of title, the seller of the vehicle is required to apply for a salvage certificate of title through the Department of Revenue, Special Investigations Division. There is no fee associated with acquiring a salvage certificate of title.
- A vehicle with a salvage certificate of title cannot be registered for use on roads unless and until the vehicle has been issued a title with the brand of "rebuilt vehicle."
- In order to obtain a rebuilt vehicle title, a person must provide the following to the Anti-Theft Unit:
  - A valid salvage certificate;
  - Receipts on parts;
  - Color photographs of the vehicle before and after the work is performed;
  - An application for Motor Vehicle Identification Certification, completed by the rebuilder of the vehicle; and
  - A fee of \$75;
- Based on information provided by the Department of Revenue, Special Investigations Division, there will be approximately 100 additional rebuilt applications each year for motorcycles.
- The recurring increase in state revenue is estimated to be \$7,500 (\$75 fee x 100).
- According to the Department of Revenue, the Special Investigations Unit can process these additional applications utilizing existing staff during normal work hours.
- According to the Department of Safety, the Tennessee Highway Patrol will be able to inform troopers of this change in law through a legislative update or during annual in-service training without any additional cost.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb